

# EnviroMission

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COMPANY ANNOUNCEMENTS DIVISION  
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## Revised CORRECTION TO ENVIROMISSION'S HALF YEAR REPORT & HALF YEAR FINANCIAL REPORT

EnviroMission's half year report and half year financial report, Appendix 4D, for the period ending, 31 December 2008, filed with the ASX on Friday 27 February, contained a typographical error that has been corrected to properly represent the accounts for the period.

'Current period' figures at 'Net Tangible Assets per Security' have been changed from (0.044) to (0.44) – the correction is footnoted within the document being the cover page of the document that follows. Please disregard filings prior to this announcement.

EnviroMission's auditor, MSI Ragg Weir, have confirmed the correction.

Ends.



Roger C. Davey  
Executive Director  
EnviroMission Limited

Shareholder Enquiries to:  
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**ENVIROMISSION LIMITED**

A.C.N. 094 963 238

**Half Year Report  
Period Ended 31 December 2008****(Previous Corresponding Period: Half year ended 31 December 2007)****Results for announcement to the market.**

Revenues from ordinary activities	Down	72% to	\$ 3,508
Profit (loss) from ordinary activities after tax attributable to members	Up	300% to	(3,810,405)
Net profit (loss) for the period attributable to members	Up	300% to	(3,810,405)

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Interim dividend	<b>0 ¢</b>	<b>0 ¢</b>
Previous corresponding period	<b>0 ¢</b>	<b>0 ¢</b>
Record date for determining entitlements to the dividend	<b>N/A</b>	

*Brief explanation necessary to enable the figures above to be understood:*

Refer to the Review of Operations within the Directors Report for an explanation of the results.

**Net Tangible Assets per Security\***

Net tangible assets per security (with the comparative figure for the previous corresponding period):

	<b>Current period</b>	<b>Previous corresponding period</b>
Net tangible assets security	(0.44) Cents*	(1.22) Cents

\* Figures quoted at 'Current period' - Net Tangible Assets per Security' in the EnviroMission Appendix 4D, Half Year Accounts 2008, filed with the ASX on 27 February 2009 and subsequently on Monday 2 March, have been amended to correct a typographical error from (0.0044) then (0.044) to (0.44). EnviroMission's auditor, MSI Ragg Weir, have confirmed this correction.

**ENVIROMISSION LIMITED**  
A.C.N. 094 963 238

**FINANCIAL REPORT**  
**HALF YEAR ENDED 31 DECEMBER 2008**

**ENVIROMISSION LIMITED**  
A.C.N. 094 963 238

## **DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The Board of Directors of EnviroMission Limited have pleasure in submitting the financial report of the Economic Entity for the half year ended 31 December 2008 and report as follows:

### **DIRECTORS**

The names and particulars of the Directors of EnviroMission Limited in office at any time during or since the end of the period:

<b>Roger Chalmers Davey</b> B.Bus, CPA, CFTP	<b>Executive Chairman &amp; Chief Executive Officer</b> Director since 31 July 2001
<b>David Norman Galbally QC</b> B Juris LLB	<b>Non-Executive Director</b> Director since 22 April 2005
<b>Guoxiang Ma</b>	<b>Non-Executive Director</b> Director since 8 June 2004
<b>Yue Tang</b>	<b>Alternate Director for Guoxiang Ma</b> Director since 8 June 2004

### **RESULTS AND REVIEW OF OPERATIONS**

#### **FINANCIAL**

Net loss from ordinary activities was \$3,810,405 (2007: Net loss \$952,210 ) after amortisation and impairment of Solar Tower license rights of \$2,840,375.

Expenditures during the half year were consistent with expectations.

#### **OPERATIONAL OVERVIEW**

EnviroMission was required to dramatically revise the 2008 strategic plan following the decision to withdraw from a protracted merger proposition with SolarMission Technologies Inc., the US based developer and owner of the global development rights to Solar Tower technology. EnviroMission's and SolarMission's mutual decision to withdraw from the merger agreement was based on SolarMission being involved in an ongoing, unresolved and vexatious legal matter with an alleged shareholder.

The merger agreement had formed the cornerstone strategy for EnviroMission's overall strategic plan for the 2007/08 period due to emerging and actual market and policy conditions that pointed to diminishing opportunities for solar renewable energy in Australia.

Following the termination of the merger agreement with SolarMission, EnviroMission conducted due diligence around SolarMission's legal dispute and found risk to EnviroMission was disproportional to the benefits to be obtained from immediate global market access – EnviroMission moved to implement a more aggressive

strategy to acquire majority control of SolarMission in 2008 via a share exchange offer to all eligible SolarMission security holders, that was taken up with the exception of the shareholder litigant and a related party to that litigant. As a measure of goodwill to that transaction and in the interests of the rights of minority shareholders (as they are protected under law in the US), the global Solar Tower development rights were assigned by SolarMission to EnviroMission. This transaction was completed ahead of finalisation of the acquisition timetable, in return for ordinary EnviroMission shares and a commitment to a royalty schedule to SolarMission Technologies Inc for future Solar Tower developments.

EnviroMission also required this agreement prior to shareholder approval being sought and granted to avoid EnviroMission's shareholders acquiring a company without the full global development rights that were being sought.

Emerging and actual market and policy conditions in Australia have increasingly pointed to priority for clean coal technologies over solar renewable technologies vindicating EnviroMission's board of directors and executive management determining the current strategic decision for global development emphasis over the limits imposed by Australian licence for domestic development.

The acquisition was approved by EnviroMission shareholders at the 2008 Annual General Meeting and has been consolidated into EnviroMission's accounts as at 31 December 2008.

This acquisition provides EnviroMission with the global rights to develop Solar Tower technology, and as noted at Note 4. Segment Information, will have a geographic segment of operation in the US.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Board of Directors.



Roger C. Davey  
Executive Chairman  
Melbourne, 27 February 2009

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF ENVIROMISSION LIMITED**

As lead auditor for the review of Enviromission Limited for the half year ended 31 December 2008, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*L.S. Wong*

**L.S. WONG**  
Partner

Melbourne: *27 February* 2009

**ENVIROMISSION LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Half year ended 31 December 2008 \$	Half year ended 31 December 2007 \$
<b>REVENUE</b>	3,508	12,742
Impairment write-downs	2,983,508	-
Corporate costs	113,879	64,717
Employment costs	2,751	5,040
Contracting/consulting costs	259,000	230,050
Occupancy expense	29,853	32,370
Amortisation and depreciation	256,706	259,156
Borrowing costs	15,255	255,219
Other expenses	139,583	118,400
Foreign exchange losses	13,378	-
	<u>3,813,913</u>	<u>964,952</u>
<b>LOSS BEFORE INCOME TAX EXPENSE</b>	3,810,405	952,210
Income tax benefit	-	-
	<u>3,810,405</u>	<u>952,210</u>
<b>NET LOSS AFTER INCOME TAX</b>	3,810,405	952,210
<b>LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY</b>	<u>3,810,405</u>	<u>952,210</u>
Basic earnings per share ( cents per share)	(3.37 cents)	(1.03 cents)
Diluted earnings per share ( cents per share)	(3.33 cents)	(1.03 cents)

The above income statement is to be read in conjunction with the attached notes.

**ENVIROMISSION LIMITED  
CONDENSED CONSOLIDATED BALANCE SHEET  
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	<b>31 December 2008</b>	<b>30 June 2008</b>
	\$	\$
<b>CURRENT ASSETS</b>		
Cash assets	438,313	10,834
Trade and other receivables	41,989	128,972
<b>TOTAL CURRENT ASSETS</b>	<u>480,302</u>	<u>139,806</u>
<b>NON – CURRENT ASSETS</b>		
Property, plant and equipment	1,628	4,527
Other assets	-	68,679
Intangibles	14,404,467	6,133,675
<b>TOTAL NON – CURRENT ASSETS</b>	<u>14,406,095</u>	<u>6,206,881</u>
<b>TOTAL ASSETS</b>	<u>14,886,397</u>	<u>6,346,687</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,461,992	1,066,384
Interest bearing liabilities	269,700	357,903
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,731,692</u>	<u>1,424,287</u>
<b>TOTAL LIABILITIES</b>	<u>1,731,692</u>	<u>1,424,287</u>
<b>NET ASSETS</b>	<u>13,154,705</u>	<u>4,922,400</u>
<b>EQUITY</b>		
Issued capital	28,212,159	20,277,289
Minority equity interest	4,107,840	-
Accumulated losses	(19,165,294)	(15,354,889)
<b>TOTAL EQUITY</b>	<u>13,154,705</u>	<u>4,922,400</u>

The above balance sheet is to be read in conjunction with the attached notes.



**ENVIROMISSION LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	<b>31 December 2008</b>	<b>31 December 2007</b>
	<b>\$</b>	<b>\$</b>
<b>Total equity at 1 July</b>	4,922,400	5,256,794
Loss for the period	(3,810,405)	(952,210)
Issued capital net of capital raising costs	7,934,870	938,222
Minority equity interest	4,107,840	-
	<hr/>	<hr/>
<b>Total equity at 31 December</b>	<u>13,154,705</u>	<u>5,242,806</u>

The above statement of changes in equity is to be read in conjunction with the attached notes.

**ENVIROMISSION LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Half year ended 31 December 2008	Half year ended 31 December 2007
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,016,253)	(468,419)
Interest received	3,508	2,083
Interest paid	(219)	(6,486)
Miscellaneous revenue	95,475	2,710
	<hr/>	<hr/>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(917,489)	(470,112)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	-
Payment for other non-current assets	-	-
	<hr/>	<hr/>
NET CASH FLOWS USED IN INVESTING ACTIVITIES	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds/(costs) from issues of shares	1,580,210	(5,297)
Proceeds from borrowings	-	556,347
Repayment of borrowings	(235,242)	(100,000)
	<hr/>	<hr/>
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,344,968	451,050
NET INCREASE / (DECREASE) IN CASH HELD	427,479	(19,062)
Cash at beginning of period	10,834	31,557
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<b>CASH AT THE END OF PERIOD</b>	<b>438,313</b>	<b>12,495</b>
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The above statement of cash flows is to be read in conjunction with the attached notes.

**ENVIROMISSION LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**31 DECEMBER 2008**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include all the notes of the type usually included in an annual financial report. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2008 and any public announcements made by EnviroMission Ltd during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

**(a) Basis of preparation**

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2008.

**(b) Principles of Consolidation**

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities, which EnviroMission Ltd controlled from time to time during the year and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation.

**(c) Intangibles**

*License Rights*

Solar Tower project license rights are valued in the accounts at cost of acquisition less accumulated amortisation and any impairment losses and are amortised over the period in which their benefit is expected to be realised, being 20 years. During the period directors re-assessed the period of expected benefit to be 7 years and accordingly made an impairment write down of the asset.

**ENVIROMISSION LIMITED**  
**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**  
**31 DECEMBER 2008**

EnviroMission, through the acquisition of SolarMission Technologies Inc (19 December 2008), its controlled entity, owns and controls the global Solar Tower development rights. EnviroMission formerly owned the exclusive Sub-License to build, own, operate and maintain one or more Solar Tower Power Stations within Australia. The terms of the global licence provides more benefit and opportunity to EnviroMission in terms of market access and does not in anyway reduce the value of the Australian licence. A former sunset-clause that was never anticipated to be implemented has been removed from the licence.

The value of the license rights is dependent on the ability of the Company to generate income from the asset. No income has been earned from this asset to 31 December 2008.

During the half-year ended 31 December 2008 the directors believe the Company has made significant advances in developing the intellectual property associated with the license rights and the directors have concluded that the carrying value of the license rights does not exceed the net amounts that are expected to ultimately be recovered through the cash inflows and outflows from use or arising from disposal.

**NOTE 2 SUBSEQUENT EVENTS**

There are no material events subsequent to the end of the half-year that have not been recognised in the half-year financial statements.

**NOTE 3 CONTINGENT LIABILITIES**

There are no contingent liabilities at 31 December 2008 and there has been no change since 30 June 2008.

**NOTE 4 SEGMENT INFORMATION**

The principal business of the group is the development of Solar Tower technology on a global basis. Originally EnviroMission Limited had an exclusive licence to develop, build and or own, operate and maintain Solar Tower power stations within Australia, since the acquisition of SolarMission Technologies Inc in December 2008 EnviroMission now owns by majority control the global rights to develop Solar Tower power stations and in future will have a geographic segment of operation in USA.

## **NOTE 5 GOING CONCERN**

The Group has accumulated losses of \$19,165,294 and a net current asset deficiency of \$1,251,390 at 31 December 2008. Notwithstanding the above, the directors believe that the company will be successful in its future operations and has accordingly prepared the financial report on the going concern basis. The directors are of the opinion that no asset is likely to be realised for an amount less than that recorded in the financial report at 31 December 2008 and as such no adjustment have been made to the financial report relating to the recoverability of assets and classification of the assets and liabilities that might be necessary should the company not continue as a going concern.

The directors have based their opinion on the following:

- the company will be able to obtain continuing support from shareholders to fund its future operations.

**ENVIROMISSION LIMITED**  
**31 DECEMBER 2008**

**Compliance Statement**

- 1 A financial report for the six months ended 31 December 2008 is provided with the Appendix 4D information.
- 2 The financial report has been prepared in accordance with Australian Accounting Standards.
- 3 The financial report and information provided in Appendix 4D uses the same accounting policies as those applied at 30 June 2008.
- 4 The Appendix 4D information gives a true and fair view of the matters disclosed in the half-year financial report.
- 5 The Appendix 4D information is based on the half-year financial report, which has been subject to independent review.



Sign here: .....  
(Director)

Date: 27 February 2009

Print name: Roger Davey

**ENVIROMISSION LIMITED**  
**A.C.N. 094 963 238**

**DIRECTORS' DECLARATION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

The directors declare that the financial statements and notes set out on pages 4 to 10 in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that EnviroMission Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Roger Davey  
Chief Executive Officer  
Executive Director

Melbourne  
27 February 2009

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ENVIROMISSION LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Enviromission Limited and Controlled Entity (the consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Enviromission Limited and Controlled Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ENVIROMISSION LIMITED**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Enviromission Limited and Controlled Entity is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**Inherent Uncertainty regarding continuation as a Going Concern**

As disclosed in Note 5, the financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern is dependent upon it continuing to secure sufficient funding from capital raisings by placement and new share issues for it to fund its ongoing activities. If the above capital raisings are not sufficient and the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts that may be different to those stated in the financial statements.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*L.S. Wong*

**L.S. WONG**  
Partner

Melbourne 27 February 2009